REVEREND CLERGY, DISTINGUISHED MEMBERS OF THE CITY COUNCIL, PUBLIC OFFICIALS, FAMILY, FRIENDS AND CITIZENS OF PEABODY.

IT IS AN HONOR FOR ME TO STAND BEFORE YOU TODAY, AS YOUR MAYOR TO REPORT ON THE PROGRESS OF OUR CITY AT THE MID-POINT OF MY CURRENT TERM OF OFFICE.

I WANT TO TAKE THIS OPPORTUNITY TO THANK LAST YEAR'S COUNCIL

PRESIDENT DAVID GAMACHE FOR HIS HELP AND COOPERATION IN EFFECTIVELY

MAINTAINING A WORKING RELATIONSHIP BETWEEN THE BRANCHES OF OUR

GOVERNMENT.

I WOULD ALSO LIKE TO EXTEND CONGRATULATIONS AND BEST WISHES TO ROBERT MAGUIRE, THE NEW COUNCIL PRESIDENT FOR 1993. I LOOK FORWARD TO WORKING WITH COUNCILLOR MAGUIRE AND THE ENTIRE CITY COUNCIL IN

ADDRESSING THE MANY ISSUES WE WILL BE FACING OVER THE NEXT 12 MONTHS.

THIS MORNING I WOULD LIKE TO MAKE A SPECIAL POINT OF THANKING THE PEOPLE WHO SERVE ON OUR MANY BOARDS AND COMMISSIONS WHO GIVE UNSELFISHLY OF THEMSELVES AS VOLUNTEERS TO COMMUNITY SERVICE AND MANY TIMES UNDER DIFFICULT CIRCUMSTANCES. THEY ARE TRULY THE UNSUNG HEROES OF LOCAL GOVERNMENT.

I ALSO WANT TO THANK OUR DEPARTMENT HEADS, STATE DELEGATION AND EMPLOYEES FOR THEIR HELP AND COMMITMENT. WE HAVE BEEN SUCCESSFUL IN WORKING TOGETHER TO MAKE PEABODY A BETTER PLACE IN WHICH TO WORK AND LIVE.

MUCH HAS BEEN ACCOMPLISHED IN THE PAST YEAR AS IN OTHER YEARS. WE WILL BE CONTINUING TO IMPROVE THE QUALITY OF LIFE IN OUR CITY BY

WORKING TOGETHER. THE RESOLVING OF HONEST DIFFERENCES OF OPINION MUST

BE DONE THROUGH MEANINGFUL DIALOGUE RATHER THAN HOSTILE CONFRONTATION.

WE MUST BE PREPARED TO MAKE DIFFICULT DECISIONS AND RECOGNIZE THAT WE

CANNOT BE ALL THINGS TO ALL PEOPLE.

LOOKING AT THE ROAD AHEAD, HOWEVER DIFFICULT IT APPEARS, LET US

REMIND OURSELVES THERE ARE CHALLENGES, AND WE ARE CAPABLE OF OVERCOMING

THEM. WITH THAT THOUGHT IN MIND, IT IS DURING THESE TRYING TIMES THAT

WE MUST LEAD THE WAY AND PROVIDE STRONG LEADERSHIP. IT IS A TIME WE NEED

TO INSPIRE AND TO SEND OUT A MESSAGE OF HOPE TO ALL OUR PEOPLE.

CHANGING TIMES REQUIRE NEW IDEAS, NEW VISIONS AND A WILLINGNESS

TO EXPLORE NEW INITIATIVES. WE MUST REALIZE WHAT WORKED IN THE 70'S

AND 80'S MAY NOT WORK IN THE 90'S AND BEYOND. IT IS WITH THIS APPROACH

THAT I BELIEVE WE WILL HAVE THE CAPABILITY TO SUSTAIN WITHOUT IMPACTING

THE QUALITY OF LIEE IN OUR COMMUNITY.

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LAST YEAR DURING MY INAUGURAL ADDRESS, I OUTLINED WHAT MY GOALS AND OBJECTIVES WOULD BE IN 1992. TODAY I WOULD LIKE TO REVIEW OUR ACCOMPLISHMENTS.

MY PRIMARY GOAL, FIRST AND FOREMOST WAS TO PROVIDE FINANCIAL

STABILITY IN OUR COMMUNITY. EACH DAY WE HEAR MORE AND MORE OF THE

TURMOIL AND DETERIORATION OF SERVICES IN THE CITIES AND TOWNS OF THE

COMMONWEALTH. I AM PLEASED TO REPORT THAT WE ARE NOT ONE OF THE

CASUALTIES. I AM EXTREMELY PLEASED TO REPORT WE HAVE ACCOMPLISHED

THIS GOAL IN A NUMBER OF WAYS.

DURING 1992, WE WERE ONCE AGAIN ABLE TO GIVE OUR RESIDENTS RELIEF

DURING DIFFICULT ECONOMIC TIMES, BY PROVIDING A STABILIZED TAX RATE.

THERE WAS NO INCREASE IN THE RESIDENTIAL TAX RATE DURING FISCAL 1993. THE

CITY OF PEABODY'S TAX LEVY IS \$6.4 MILLION BELOW WHAT PROPOSITION 2½

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ALLOWS. THIS AMOUNT FAR EXCEEDS ANY OTHER COMMUNITIES UNRESERVED TAX

LEVY IN THE COMMONWEALTH. SIMPLY PUT, THIS MEANS OUR CITIZENS HAVE

NOT BEEN TAXED TO THE EXTENT ALLOWED BY LAW. THIS HAS PROVIDED US WITH

FINANCIAL FLEXIBILITY AS WELL AS TAX RELIEF FOR OUR CITIZENS.

WE DID NOT BORROW IN ANTICIPATION OF TAXES FOR THE 8TH YEAR IN A ROW, THEREBY SAVING HUNDREDS OF THOUSANDS OF DOLLARS IN SHORT TERM BORROWING COSTS.

IN 1992, WE WITNESSED MANY COMMUNITIES BOND RATINGS BEING DROPPED.

SOME BEING DROPPED TO JUNK BOND STATUS. I AM PLEASED TO REPORT THIS

PAST NOVEMBER WE WERE REVIEWED BY BOTH MOODY'S INVESTORS SERVICE CORP.

AND STANDARD AND POOR'S. BOTH AGENCIES HAVE ELEVATED THE CITY'S BOND

RATING TO A PRESTIGIOUS "AA" RATING, A RARE ACCOMPLISHMENT IN

MASSACHUSETTS. THIS RATING INCREASE IS A CLEAR INDICATION OF THE

CONFIDENCE THE RATING AGENCIES HAVE IN THE CITY OF PEABODY. THIS RATING ALLOWED US TO GO TO THE BOND MARKET AND RECEIVE THE LOWEST INTEREST RATES ON A BOND ISSUE IN OVER 20 YEARS.

IN 1992, WE HAD MANY ACCOMPLISHMENTS IN THE DEVELOPMENT OF OUR COMMUNITY.

*OUR GOAL OF BUILDING A DOWNTOWN COMMON, TO BE DEDICATED IN HONOR

OF THOSE WHO TOILED IN THE LEATHER INDUSTRY AND GAVE PEABODY THE TITLE

OF LEATHER CAPITAL OF THE WORLD, IS NEAR COMPLETION.

*THE RECONSTRUCTED CENTRAL STREET PARKING LOT IS COMPLETED. THIS
HAS GREATLY IMPROVED THE APPEARANCE OF OUR DOWNTOWN.

*WE SAID IT WAS OUR HOPE TO START A PILOT BUS PROGRAM CONNECTING

CENTENNIAL PARK, THE NORTHSHORE SHOPPING CENTER, DOWNTOWN, AND THE MBTA

STATION IN SALEM. I AM PLEASED TO REPORT THIS PROGRAM WILL COMMENCE ON

FEBRUARY 1, 1993. THIS WILL PROVIDE ADDITIONAL MOBILITY TO OUR PEOPLE AND HOPEFULLY WILL BE EXPANDED IN THE YEARS TO COME.

*OUR COMMITMENT TO IMPROVE ROUTE ONE AND LOWELL STREET IS NEAR

COMPLETION AND FOREST STREET AND LOWELL WILL BEGIN THIS SPRING. BOTH

PROGRAMS ARE FUNDED UNDER THE HAZARDOUS ELIMINATION PROGRAM.

*OUR \$1,000,000 WATER MAIN REHABILITATION PROGRAM WAS COMPLETED

THIS PAST YEAR, AS WELL AS THE INSTALLATION OF NEW ELECTRONIC WATER

METER BOXES IN ALL HOMES PROVIDING US THE ABILITY TO READ METERS

EXTERNALLY.

*OUR DESIRE TO RECLAIM CRYSTAL LAKE AND MAKE IT A FIRST CLASS

WATER BASED RECREATIONAL AREA HAS BEGUN. WE HAVE DEVELOPED A

MANAGEMENT PLAN AND HAVE COMPLETED THE FIRST PHASE OF HYDRORAKING THE

LAKE BOTTOM.

*WE RECEIVED A TOTAL OF \$670,000 IN SMALL CITIES GRANT MONEY WHICH ALLOWED US TO REHABILITATE 77 HOUSING UNITS, TO CONTINUE OUR ROAD PROGRAM BY COMPLETING HIGHLAND PARK AND HIGHLAND TERRACE, AS WELL AS IMPLEMENTING A NUMBER OF OTHER PROGRAMS.

*WE ESTABLISHED THE NORTH RIVER NEIGHBORHOOD TASK FORCE WHICH HAS

PREPARED A DRAFT PLAN, AND A DESIGN COMPETITION FOR THE RIVER WALK. I

BELIEVE THE LINEAR PARK TIED INTO OTHER DOWNTOWN IMPROVEMENTS WILL ENHANCE

THIS SECTION OF THE CITY AND PROVIDE A POSITIVE ENVIRONMENT FOR INVESTMENT.

*OUR TENTH ANNIVERSARY OF PRIDE IN PEABODY WAS SUCCESSFUL AS MORE

AND MORE PEOPLE ARE TAKING PART AND ASSISTING IN BEAUTIFYING THE CITY.

OUR PROGRAM HAS BEEN A STATEWIDE MODEL. MORE THAN 90 CITIES AND TOWNS

ACROSS THE COMMONWEALTH HAVE ASKED FOR OUR HELP IN IMPLEMENTING SIMILAR

PROGRAMS IN THEIR COMMUNITIES.

*THIS PAST YEAR WE HAVE SEEN THE START OF A \$50-70 MILLION

REHABILITATION OF THE NORTHSHORE SHOPPING CENTER. THIS PROJECT INCLUDES

MAJOR TRAFFIC IMPROVEMENTS, 1500 NEW RETAIL JOBS AND THE CONTINUATION OF

THE CARMELITE CHAPEL. I AM PLEASED THAT WE HAVE CREATED AN ENVIRONMENT

THAT PROVIDES BUSINESS WITH CONFIDENCE TO INVEST IN OUR CITY.

*I HAVE ALWAYS BELIEVED THAT PEABODY'S LOCATION WOULD LEAD US TO
PLAYING A MAJOR ROLE IN THE HEALTH INDUSTRY. LAHEY CLINIC'S RECENT

PURCHASE OF THE ESSEX BANK BUILDING AND FUTURE ROLE IN OUR COMMUNITY

ONLY STRENGTHENS THAT BELIEF. WITH A NUMBER OF HEALTH PROVIDERS IN THAT

AREA CURRENTLY, I BELIEVE THERE WILL BE A SPIN-OFF TO ATTRACT OTHER

RELATED INDUSTRIES, THEREBY CREATING ADDITIONAL JOB OPPORTUNITIES.

*THIS PAST YEAR OUR SCHOOL SYSTEM HAS ONCE AGAIN BEEN SPARED FROM ANY CUTS IN PROGRAMS, STAFF, OR TEACHER LAY-OFFS. OUR STUDENTS AND

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PARENTS WERE SPARED THE IMPOSITION OF USERS FEES FOR ATHLETICS,

TRANSPORTATION AND OTHER SCHOOL RELATED ACTIVITIES. IN ADDITION, OUR

ELEMENTARY CLASS SIZES REMAINED AT APPROXIMATELY 20 STUDENTS. I CERTAINLY

HOPE THIS WILL CREATE A POSITIVE ENVIRONMENT FOR BOTH TEACHERS AND

STUDENTS.

*COMMUNITY PROGRAMS SUCH AS THE INTERNATIONAL FESTIVAL, HARVEST

FESTIVAL, PRIDE IN PEABODY AND THE HOLIDAY FESTIVAL WERE GREAT SUCCESSES.

THE ADDITION OF THE CONCERT SERIES THIS PAST YEAR AND THE PRIDE OF PEABODY

PROGRAM HAVE RECEIVED CITY-WIDE SUPPORT. I WANT TO THANK THE MANY

VOLUNTEERS WHO WORK TIRELESSLY TO MAKE THESE PROGRAMS SO SUCCESSFUL.

AS WE CLOSE THE BOOK ON 1992, LET ME THANK THE MANY PEOPLE WHO ASSISTED AND WORKED HARD TO HELP US REACH OUR GOALS.

AS WE PROCEED INTO 1993, LET ME TOUCH ON A FEW AREAS THAT WE WILL

HAVE TO ADDRESS.

*FINANCING MUNICIPAL GOVERNMENT WILL BE A MAJOR CHALLENGE IN THE CURRENT ECONOMIC CLIMATE. IT IS MY GOAL IN 1993 TO AVOID THE CHAOS, CONFUSION AND FINANCIAL NIGHTMARE THAT PLAGUES SO MANY COMMUNITIES.

*THE COMING YEAR WILL FIND US MORE HEAVILY COMMITTED FINANCIALLY

TO THE SECONDARY TREATMENT PLANT AT SOUTH ESSEX SEWER DISTRICT AND THE

CONSTRUCTION OF A NEW WATER TREATMENT PLANT IN PEABODY. BOTH PROGRAMS

ARE FEDERALLY MANDATED AND WILL REQUIRE A FINANCING MECHANISM TO COMPLY

WITH FEDERAL REGULATIONS. WE MUST WORK TOGETHER IN DEVELOPING THE

NECESSARY RESOURCES TO SUPPORT THESE PROGRAMS.

*THE \$796,000 RECENTLY RECEIVED FROM THE SMALL CITIES GRANT

PROGRAM WILL PROVIDE FUNDING FOR OUR HOUSING REHABILITATION PROGRAM, AND

SEVERAL SOCIAL PROGRAMS. IT WILL ALSO PROVIDE FUNDING FOR FOSTER STREET

IMPROVEMENTS. IT IS OUR GOAL TO DO SOME MAJOR IMPROVEMENTS TO FOSTER STREET TO FURTHER ENHANCE THE DOWNTOWN AREA AND ENCOURAGE PRIVATE INVESTMENT.

*THIS YEAR CONSTRUCTION WILL BEGIN ON THE LOWELL AND FOREST

STREET INTERSECTION, IN ADDITION TO TRAFFIC IMPROVEMENTS IN THE SHOPPING

CENTER AREA. THE WILSON SQUARE IMPROVEMENT FEASIBILITY STUDY WILL BE

COMPLETED AND FUNDING WILL BE REQUESTED FROM THE STATE. ALSO, BIDS HAVE

BEEN OPENED FOR THE MAIN STREET PEDESTRIAN SIGNAL AND INSTALLATION WILL

TAKE PLACE THIS YEAR.

*IN 1993 WE WILL CONTINUE WITH OUR CRYSTAL LAKE AND NORTH RIVER
IMPROVEMENT PLANS. THIS COMING YEAR WE WILL ALSO CONTINUE WITH OUR
CAPITAL IMPROVEMENT PROGRAM THEREBY PROTECTING OUR INVESTMENT IN OUR
EQUIPMENT AND BUILDINGS.

*AS OF DECEMBER 1, 1992 WE ASSUMED THE MANAGEMENT OF THE MCVANN-O'KEEFE MEMORIAL SKATING RINK, FORMERLY OPERATED BY THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT. WE HAVE PUT TOGETHER A MANAGEMENT TEAM AND IN A SHORT TIME WE HAVE MADE A NUMBER OF IMPROVEMENTS. WE WILL CONTINUE OUR EFFORTS

TO MAKE THIS FACILITY SECOND TO NONE IN THIS AREA.

*IN 1993 WE WILL COMPLETE OUR OFF STREET PARKING STUDY TO DETERMINE
THE MOST FEASIBLE WAY TO DEVELOP ADDITIONAL PARKING FOR THE BUSINESS
AREA.

*WE PLAN TO RECONSTRUCT THE FOSTER STREET PARKING LOT TO INCLUDE

A WALK-WAY ALONG THE RIVER THAT WILL ADD TO THE THEME ESTABLISHED AT

THE NEW COMMON.

*THIS PAST YEAR WE AWARDED A TOTAL OF \$814,000 IN COMMUNITY

DEVELOPMENT AUTHORITY LOANS, LEVERAGING SOME FOUR MILLION DOLLARS IN

PRIVATE INVESTMENT AND CREATING 100 NEW JOBS. THE CONTINUED

AVAILABILITY OF RESOURCES WILL ENCOURAGE ECONOMIC DEVELOPMENT, FAR

SURPASSING 1992'S ACHIEVEMENTS.

*DURING THE NEXT YEAR WE WILL WORK TOWARDS THE ASSEMBLY AND

MARKETING OF LAND IN THE GOLDEN TRIANGLE. WE WILL ALSO PROVIDE AN

INFRASTRUCTURE ON JUBILEE DRIVE ONCE THERE IS A COMMITMENT TO

DEVELOPMENT.

*WE WILL CONTINUE WITH ALL OF OUR COMMUNITY PROGRAMS OVER THE NEXT YEAR. OUR RECENT CONCERT SERIES HAS BEEN SUCH A SUCCESS THAT WE PLAN TO HAVE ADDITIONAL CONCERTS IN 1993.

*THIS YEAR WILL MARK THE 10TH ANNIVERSARY OF THE INTERNATIONAL FESTIVAL. NEEDLESS TO SAY, THIS PROGRAM HAS BEEN A HUGE SUCCESS NOT ONLY IN PEABODY BUT TO PEOPLE THROUGHOUT THE REGION. IN HONOR OF

ATTAINING THIS MILESTONE, SOME ADDITIONAL ACTIVITIES WILL BE ANNOUNCED LATER THIS YEAR. I WOULD LIKE TO TAKE THIS OPPORTUNITY TO THANK JUDY SELESNICK WHO HAS BEEN CHAIRPERSON SINCE THE FESTIVAL'S INCEPTION.

ONE OF MY GOALS HAS ALWAYS BEEN TO MAKE PEOPLE FEEL BETTER ABOUT PEABODY AND TO HAVE A STRONG SENSE OF PRIDE IN LIVING HERE. I AM EXTREMELY PLEASED THAT THIS PAST YEAR THE SALEM COMMUNITY ALLIANCE IN CONJUNCTION WITH BOSTON UNIVERSITY DID A SURVEY IN PEABODY. NEARLY 1400 PEOPLE WERE ASKED THE FOLLOWING QUESTIONS: 1) "IS PEABODY A GOOD CITY TO RAISE YOUR FAMILY?" 88.8% ANSWERED YES. ONLY 2.6% SAID NO. 2) "ARE YOU PROUD TO LIVE IN PEABODY?" 82.6% ANSWERED YES. ONLY 2.8% ANSWERED NO. 3) "DO PEOPLE IN PEABODY HAVE COMMUNITY SPIRIT?" 75.4% RESPONDED YES. ONLY 5% SAID NO.

THE ANSWERS TO THESE QUESTIONS WHICH REPRESENT A BROAD SAMPLE OF

COMMUNITY ATTITUDES IS PROBABLY THE MOST GRATIFYING ACCOMPLISHMENT FOR ME AS A PUBLIC OFFICIAL.

I BELIEVE CREATING AN ENVIRONMENT THAT HELPS DEVELOP A FEELING

OF PRIDE IN COMMUNITY WILL AT THE SAME TIME MINIMIZE THE NEGATIVES THAT

IMPACT THE QUALITY OF LIFE IN OUR CITY.

THERE WILL BE MANY OTHER ISSUES WE AS COMMUNITY LEADERS WILL BE

FACING IN 1993, SOME WILL BE MORE DIFFICULT THAN OTHERS, AND SOME WE

WILL DISAGREE UPON. BUT, ALL OF US MUST REMEMBER THAT WE REPRESENT NEARLY

50,000 PEOPLE. OUR PERSONAL LIKES AND DISLIKES, OR TRYING TO SATISFY

EVERY INTEREST GROUP SHOULD NOT BE THE DETERMINING FACTOR IN OUR

DECISIONS. BUT RATHER SOUND JUDGEMENT, BASED ON SUBSTANTIVE INFORMATION,

FAIRNESS, AND WHAT IS IN THE BEST INTEREST OF OUR COMMUNITY SHOULD BE

THE PREVAILING FACTORS.

WE MUST REMEMBER WE HAVE COME A LONG WAY AS A COMMUNITY, PEOPLE

TALK ABOUT PEABODY TODAY FOR ALL THE RIGHT REASONS. WE CANNOT SIT BACK

AND FEEL OUR JOB IS COMPLETE. WE CANNOT ALLOW PERSONAL FEELINGS OR

PETTY POLITICS TO STEER US OFF THE COURSE THAT HAS BEEN SET. RATHER

PAST SUCCESSES SHOULD BE THE INFLUENCING FACTOR THAT ENCOURAGES US TO

ACHIEVE GREATER SUCCESSES.

WE HAVE THE CAPACITY TO TAKE OUR PLANS, VISIONS AND DREAMS AND TRANSFORM THEM INTO REALITY. IT SHOULD BE OUR GOAL THAT EVERY CITIZEN IS PROUD TO CALL PEABODY THEIR COMMUNITY, THEIR HOME.

THANK YOU AND GOD BLESS. HAPPY NEW YEAR.